400 Texas Street, Suite 1400 Shreveport, LA 71101 Firm: 318.221.6858 Fax: 318.227.2967 Web: www.bwor.com

Mailing Address: P.O. Drawer 1126 Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217 Email: tallen@bwor.com

April 5, 2006

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE:

HEARING APPLICATION
Pettet Zone, Reservoir D
Elm Grove Field
Caddo and Bossier Parishes, Louisiana
Our File No. 430071.68

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Pettet Zone, Reservoir D, Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana:

- 1. To establish rules and regulations and create a single drilling and production unit (to be designated as PET RD SUA), as shown on the attached plat, for the exploration for and production of gas and condensate from the Pettet Zone, Reservoir D, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana;
- 2. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate and utilize the Questar Exploration and Production Company Tensas Delta 1 No. 1 Well, located as shown on the plat attached hereto, as the unit well for the proposed PET RD SUA;
- 4. To designate Questar Exploration and Production Company as operator of the proposed PET RD SUA.
- 5. To permit the downhole combination of the Pettet Zone, Reservoir D, Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, in the wellbore of any well drilled on PET RD SUA, HOSS RA SU58 and CV RA SU64, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana; and
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Pettet Zone, Reservoir D, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, is hereby defined as that gas and condensate bearing interval encountered between the depths of 5,369 feet and 5,767 feet (electrical log measurements) in the Questar Exploration and Production Company - Tensas

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Delta 1 No. 1- Well, located in Section 1, Township 15 North, Range 12 West, Caddo Parish, Louisiana.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series.

By Pre-Application Notice dated March 22, 2006, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no such conference will be held.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, are being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$2,265.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures

cc:

Wm. Timothy Allen III
Attorneys for Questar Exploration and Production Company

Mr. James C. Broussard, Shreveport District Manager,

Office of Conservation (w/enclosures)

Interested Owners, Represented Parties and Interested Parties (w/copy of plat only)

